

**Lien Viet Housing Association Limited**  
**Financial Statements**  
**Year Ended 31 March 2019**

Co-operative and Community Benefit Societies Act 2014 26206R  
Homes and Communities Agency registration number: LH 3867



INVESTOR IN PEOPLE

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Registered with the Financial Conduct Authority as a registered society under the Co-operative and Community Benefit Societies Act 2014 26206R  
Registered with the Homes and Communities Agency number LH3867

### BOARD MEMBERS

#### **Board members**

Chair Merlene Emerson CBE resigned 26 March 2019

Other members Suzanah Kwok – resigned 26 March 2019  
Kim Nguyen - resigned 21 August 2018  
Hong Khaou – resigned 26 March 2019  
Roz Spencer – resigned 26 March 2019  
Stephen Stringer – resigned 26 March 2019  
Megan Worthing-Davies – resigned 26 March 2019  
Clare Thomson (Secretary) - retired 14 December 2018  
Ruth Davison (Secretary) - appointed 7 January 2019

Registered Office 102 Blackstock Road  
London  
N4 2DR

Auditors Grant Thornton UK LLP  
Victoria House  
199 Avebury Boulevard  
Milton Keynes  
MK9 1AU

## **Report of the Board of Management of Lien Viet Housing Association Limited**

The Board presents its report and the audited financial statements for the year ended 31 March 2019.

### **Principal Activities**

The Board of Lien Viet Housing Association Limited ('Lien Viet') took the decision during 2018/19 to merge its stock into their parent company Islington & Shoreditch Housing Association Limited ("ISHA"). This was completed under a Transfer of Engagement and was executed in March 2019. Lien Viet was a community based housing association which owned 122 units (2018: 122 units) including 1 shared ownership unit (2018: 1 units) and 19 hostel rooms (2018: 19). 35 units (2018: 35) are managed on behalf of Islington & Shoreditch Housing Association ("ISHA") and London and Quadrant.

In 2013, it was agreed that ISHA would provide the landlord services for Lien Viet, and that Lien Viet would concentrate on its wider community ambitions. The strategic objectives set for Lien Viet were:

- Provide excellent services to our residents
- Vietnamese and Chinese speakers to support LV and ISHA residents
- Good name and strong links within Community and partner agencies
- Ability to sell services to other Housing Associations
- Provide good governance
- Maximise opportunities for growth and development (new objective)

Subsequently, the Lien Viet Board worked on its brand and the best structure to deliver its aims for the future. Running the housing association activities is time consuming, expensive and detracts from the unique selling point of Lien Viet; its charitable purpose of supporting the Vietnamese and South East Asian community.

ISHA's Board committed to continuing to deliver culturally sensitive services for our customers and communities and to maintaining the branding of Lien Viet. It was established by communities from Vietnam who had faced war and then faced discrimination in terms of access to homes. We celebrated this achievement with a bequest to the Geffrye Museum, the museum of the home and will continue to honour its founding principles and values.

Following the completion of the Transfer of Engagement, Lien Viet ceased to be an independent housing association, and therefore its Board also ceased to exist. These accounts are presented by the ISHA Board.

### **Employees**

Lien Viet Housing Association Limited does not directly employ any staff, and all functions that support Lien Viet's activities are carried out by staff employed by the parent company, ISHA. The services provided by the parent company to Lien Viet are set out through a service level agreement, and ISHA staff support is included in that agreement. There are three Lien Viet staff members who were employed in roles that predominantly support the operations of Lien Viet Housing Association Limited. Two in Outreach and Support and one in the Finance function.

### **Statement of the Board's responsibilities**

The Board is responsible for preparing the report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society legislation requires the Board to prepare financial statements for each financial year. Under that law the board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under the Co-operative and Community Benefit Society legislation the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the association and group for that period. In preparing these financial statements, the Board are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers Update 2014, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing (April 2015). It is also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board are responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Value for Money**

The Board concentrates on the value-added objectives of representing the housing need issues for its customers and provide support and advice to its wider constituent communities within London.

Lien Viet's landlord services are included within ISHA's benchmarking and service improvement plans. These are published in the Group accounts, and a more detailed value for money report is provided in ISHA Group's Annual report to customers.

### **Board disclosure to auditors**

The financial statements were approved by the Board of the parent company. The Board members of the parent company who held office at the date of approval of this Board report confirm that, so far as they are each aware, there is no relevant audit information of which the auditors are unaware; and each board member has taken all the steps that he/ she ought to have taken as a board member to make himself/ herself aware of any

relevant audit information and to establish that the company's auditors are aware of that information.

### **Corporate governance and internal control**

The Board has adopted the NHF 2015 Code of Governance and is compliant with that code.

The Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Association's assets and interests.

The process adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

- *Monitoring and corrective action*

Regular management reporting on control issues provides assurance to management and to the Board. This includes a procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those with a material impact on the financial statements.

- *Control environment and control procedures*

The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury strategy and new investment projects. The Board disseminates its requirements to all employees through the Association's policies with regard to the quality, integrity and ethics of its employees. It is supported by clear and comprehensive financial standing orders, describing responsibilities, levels of authority and segregation of duties.

- *Regulatory Code*

The Board has responsibility for ensuring that the Association complied with its obligations under the regulatory code.

- *Information and financial reporting systems*

Financial reporting procedures include annual budgets, reviewed every three months, and a long term business plan which is reviewed and updated annually. These are reviewed and approved by the Board. The Board also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

The internal control framework was reviewed by internal auditors and approved by the Board. As part of the service level agreement with ISHA a regular review of internal controls is performed.

The Board confirms there is an ongoing process for identifying, evaluating and managing significant risks faced by the Association.

- *Fraud*

Policy and procedures on the identification and reporting of fraud are in place. As part of our fraud procedures we have a clear whistleblowing policy. Regular consideration of the main risks facing the association and the internal audit ensures system weaknesses are addressed.

### **Going Concern**

The Association ceased to exist as an independent housing association and its assets and liabilities, including its trade, were transferred to its parent company, Islington and Shoreditch Housing Association Limited, as at 31 March 2019. Therefore, Lien Viet will no longer be an operating entity. As such, these financial statements have been prepared on a cessation basis.

On behalf of the Board  
Ruth Davison  
Secretary  
25 July 2019

## Independent auditor's report to the members of Lien Viet Housing Association Limited

### Opinion

We have audited the financial statements of Lien Viet Housing Association Limited (the 'company') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter – basis of preparation of the financial statements

We draw your attention to Note 2 to the financial statements, which describes the basis of preparation of the financial statements. As described in that note, Lien Viet Housing Association Limited will cease to trade during 2019/20 and the company has adopted the break-up basis in preparing the financial statements. Our opinion is not modified in this respect of this matter.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent



## Independent auditor's report to the members of Lien Viet Housing Association Limited

with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the directors has been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the directors.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the report of the directors and from the requirement to prepare a strategic report.

### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on pages 3 to 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Independent auditor's report to the members of Lien Viet Housing Association Limited

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Fiona Baldwin  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Milton Keynes  
Date:

Statement of Comprehensive Income as at 31 March

		2019 £	2018 £
	<b>Notes</b>		
Turnover	3a	1,172,889	1,172,439
Operating expenditure	3a	<u>(1,035,602)</u>	<u>(946,239)</u>
<b>Operating surplus</b>	3a	137,287	226,200
Lien Viet Legacy Grant	9	(277,000)	-
Loss on disposal of fixed assets	4	(8,340)	(4,171)
Movement in fair value of Investment Properties	16	-	45,000
Interest receivable	7a)	11,465	9,738
Interest and financing costs	7b)	<u>(29,901)</u>	<u>(32,596)</u>
		(166,489)	244,171
Deficit transferred to parent company	21	<u>166,489</u>	-
<b>Surplus and total comprehensive income for the financial year</b>		<u>-</u>	<u>244,171</u>

The Association's results relate wholly to discontinued activities which transferred to Islington and Shoreditch Housing Association on 31 March 2019.

The accompanying notes on pages 14 to 27 form part of these financial statements.

The financial statements were approved by the Islington & Shoreditch Housing Association Board of Management at its meeting on 25 July 2019 and were signed on its behalf by:

Stephen Stringer

ISHA Chair

Ruth Davison

Secretary

Roz Spencer

Board Member

**Statement of Changes in Reserves**

	<b>Income and Expenditure Reserves £</b>	<b>Total £</b>
<b>Balance as at 1 April 2017</b>	2,611,689	2,611,689
Total comprehensive income for the year	244,171	244,171
<b>Balance as at 31 March 2018</b>	2,855,860	2,855,860
Total comprehensive deficit for the year	(166,489)	(166,489)
Transferred to ISHA	(2,689,371)	(2,689,371)
<b>Balance as at 31 March 2019</b>	<u>-</u>	<u>-</u>

The Association's results relate wholly to discontinued activities which transferred to Islington and Shoreditch Housing Association on 31 March 2019.

The accompanying notes on pages 14 to 27 form part of these financial statements.

Statement of Financial Position as at 31 March

<b>FIXED ASSETS</b>	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
<b>Fixed Assets</b>			
Tangible Fixed Assets	10	-	8,212,784
Investment Properties	17	-	355,000
		-	8,567,784
Other fixed assets	10	-	3,112
		-	8,570,896
<b>Current assets</b>			
Trade and other debtors	11	-	1,091,103
Cash and cash equivalents		-	664,159
		-	1,755,262
<b>Creditors: amounts falling due within one year</b>	12	-	(484,557)
<b>Net current assets</b>		-	1,270,705
<b>Total assets less current liabilities</b>		-	9,841,601
<b>Creditors: amounts falling due after more than one year</b>	13	-	(6,985,741)
<b>Total net assets</b>		-	<b>2,855,860</b>
<b>Reserves</b>			
Income and expenditure reserves		-	2,855,860
<b>Total reserves</b>		-	<b>2,855,860</b>

The accompanying notes on pages 14 to 27 form part of these financial statements.

The financial statements were approved by the Islington & Shoreditch Housing Association Board of Management at its meeting on 25 July 2019 and were signed on its behalf by:

Stephen Stringer                      ISHA Chair

Ruth Davison                              Secretary

Roz Spencer                                Board Member

Statement of Cash Flows

	Notes	2019 £	2018 £
<b>Net cash generated from operating activities</b>	16	302,577	208,328
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets	10	(22,164)	(27,239)
Proceeds from sale of tangible fixed assets		-	-
Interest received	7a	11,465	9,738
		<hr/>	<hr/>
		291,878	190,827
<b>Cash flow from financing activities</b>			
Interest paid	7b	(29,901)	(32,596)
Repayment of borrowings		(43,817)	(40,464)
		<hr/>	<hr/>
		218,160	117,767
<b>Cash and cash equivalent at 1 April 2018</b>		664,159	546,392
		<hr/>	<hr/>
<b>Cash and cash equivalent at 31 March 2019</b>		882,319	664,159
<b>Transferred to ISHA</b>		(882,319)	-
		<hr/>	<hr/>
		-	<b>664,159</b>
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes on pages 14 to 27 form part of these financial statements.

# Financial Statements for the year ended 31 March 2019

## Notes to the financial statements

### 1. Legal Status

The Association was incorporated with limited liability as a charitable Housing Association under the Co-operative and Community Benefit Societies Act 2014 and was a registered provider of social housing.

On 6 March 2019, the Board of the Association passed a special resolution to transfer the stock, property, assets and liabilities and all the engagements of the Association to Islington & Shoreditch Housing Association. The resolution was finally confirmed on 26 March 2019. The application for deregistration with the Financial Conduct Authority (FCA) is in progress.

### 2. Accounting policies

#### Basis of accounting

The financial statements of the Association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015.

The financial statements are presented in Sterling (£) which is also the functional currency.

#### Basis of preparation of the financial statements

The Association ceased to exist as an independent housing association and its assets and liabilities, including its trade, were transferred to its parent company, Islington and Shoreditch Housing Association Limited, as at 31 March 2019. Therefore, Lien Viet will no longer be an operating entity and has prepared its financial statements on a cessation basis.

#### Significant judgements and estimations

Preparations of the financial statements require management to make significant judgements and estimates. Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts where required or appropriate and other relevant factors. The items in the financial statements where these judgements have been made include:

#### Impairment

Annually housing properties are assessed for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a scheme is currently deemed not to be providing service potential to the association, its recoverable amount is its fair value less costs to sell.

#### Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment

## **Financial Statements for the year ended 31 March 2019**

and changes to decent homes standards which may require more frequent replacement of key components. Accumulated depreciation at 31 March 2019 was £Nil, shown in note 10.

### **Turnover**

Turnover comprises rental and service charge income receivable in the year, income from shared ownership first tranche sales and other services included at the invoiced value excluding VAT where recoverable of services supplied in the year and revenue grants receivable in the year.

Rental income is recognised from the point where properties under developments reach practical completion or otherwise become available for letting net of voids. Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale. Revenue grants are recognised when the conditions for receipt of the agreed grant funding have been met. Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities.

### **Interest payable**

Interest payable is charged to income and expenditure for the year.

### **Financial instruments**

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model.

Basic financial instruments are recognised at amortised historical cost.

### **Housing properties**

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally available for rent and are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

### **Investment properties**

Investment properties consist of commercial properties and other properties not held for the social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end, with changes in fair value recognised in income and expenditure.

### **Government grants**

Government grants include grants receivable from the Homes and Communities Agency (the HCA), local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.



## Financial Statements for the year ended 31 March 2019

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received.

Government grants received for housing properties are subordinated to the repayment of loans by agreement with the HCA. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in income and expenditure.

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to income and expenditure. Upon disposal of the associated property, the group is required to recycle these proceeds and recognise them as a liability.

### Depreciation of housing properties

The association separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight line basis, over its estimated useful economic life.

The association depreciates the major components of its housing properties at the following annual rates:

Component	Useful economic life (years)
Pitched roofs	60
Flat roofs	60
External doors	30
Windows	30
Electrical installation	25
General heating (excluding boilers)	25
Boilers	15
Lifts	25
Kitchens	15
Bathrooms	20
Residual structure (Building)	150

## Financial Statements for the year ended 31 March 2019

### Depreciation of other tangible fixed assets

Other fixed assets are included at cost to the Group less depreciation, which is provided on a straight-line basis over the periods shown below:

Office furniture, equipment and motor vehicles	4 years
Scheme equipment	10-15 years
Freehold office	50 years

Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal process and the carrying amount of the assets and are recognised as part of the surplus/deficit for the year.

### Taxation

The Association was an exempt Charity and its activities in the year did not give rise to a tax liability.

### Pensions

Retirement benefits to employees are provided by a defined contribution scheme. Contributions are charged to the income & expenditure account in the period to which they are incurred.

### Donation

Granting legacy funds are not part of the association's normal course of activities and is therefore not included within operating surplus. Further details are available in note 9.

## Financial Statements for the year ended 31 March 2019

### 3a. Particulars of turnover, cost of sales, operating expenditure and operating surplus

	2019		
	Turnover	Operating Expenditure	Operating Surplus
	£	£	£
<b>Letting activities</b>			
Social housing (Note 3b)	1,146,475	(1,019,804)	126,671
Shared ownership	6,371	(2,551)	3,820
<b>Total</b>	<b>1,152,846</b>	<b>(1,022,355)</b>	<b>130,491</b>
<b>Other social housing activities</b>			
Charges for support services	-	(1,031)	(1,031)
Management services	-	(12,216)	(12,216)
<b>Total</b>	<b>-</b>	<b>(13,247)</b>	<b>(13,247)</b>
<b>Activities other than Social Housing</b>			
Commercial properties	20,043	-	20,043
<b>Total</b>	<b>1,172,889</b>	<b>(1,035,602)</b>	<b>137,287</b>

	2018		
	Turnover	Operating Expenditure	Operating Surplus
	£	£	£
<b>Letting activities</b>			
Social housing (Note 3b)	1,146,257	(938,593)	207,664
Shared ownership	6,091	(2,193)	3,898
<b>Total</b>	<b>1,152,348</b>	<b>(940,786)</b>	<b>211,562</b>
<b>Other social housing activities</b>			
Charges for support services	-	(1,606)	(1,606)
Management services	-	(3,847)	(3,847)
<b>Total</b>	<b>-</b>	<b>(5,453)</b>	<b>(5,453)</b>
<b>Activities other than Social Housing</b>			
Commercial properties	20,091	-	20,091
<b>Total</b>	<b>1,172,439</b>	<b>(946,239)</b>	<b>226,200</b>

## Financial Statements for the year ended 31 March 2019

### 3b. Particulars of turnover and operating expenditure from Social Housing Lettings

	General Needs Housing	Supported Housing	Shared Ownership	Total 2019	Total 2018
	£	£	£	£	£
<b>Income</b>					
Rent receivable net of identifiable service charge	849,003	78,602	4,724	932,329	944,975
Service charges income	122,541	43,959	1,646	168,146	155,002
Amortised government grant	52,371	-	-	52,371	52,371
<b>Turnover from Social Housing Lettings</b>	<b>1,023,915</b>	<b>122,561</b>	<b>6,370</b>	<b>1,152,846</b>	<b>1,152,348</b>
<b>Operating expenditure</b>					
Management	480,476	48,729	-	529,205	537,615
Service charge costs	103,573	50,363	1,646	155,582	123,354
Routine maintenance	127,201	24,887	-	152,088	110,281
Planned maintenance	59,219	2,684	-	61,903	42,848
Bad debts	-	-	-	-	-
Depreciation of housing properties	114,446	8,226	905	123,577	126,688
<b>Operating expenditure on Social Housing Lettings</b>	<b>884,915</b>	<b>134,889</b>	<b>2,551</b>	<b>1,022,355</b>	<b>940,786</b>
<b>Operating surplus/(deficit) on Social Housing Lettings</b>	<b>139,000</b>	<b>(12,328)</b>	<b>3,819</b>	<b>130,491</b>	<b>211,562</b>
<b>Void losses</b>	<b>628</b>	<b>373</b>	<b>-</b>	<b>1,001</b>	<b>2,557</b>

## Financial Statements for the year ended 31 March 2019

### 3c. Accommodation in management

At the end of the year accommodation in management for each class of accommodation was as follows:

	<b>2019</b> <b>No. of</b> <b>properties</b>	<b>2018</b> <b>No. of</b> <b>properties</b>
<b>Social Housing</b>		
General needs social rent	102	102
Supported housing	19	19
Shared Ownership	1	1
	<hr/>	<hr/>
<b>Total owned</b>	122	122
Accommodation managed for others	35	35
	<hr/>	<hr/>
<b>Total owned and managed</b>	157	157
<b>Transferred to ISHA</b>	(157)	-
	<hr/>	<hr/>
<b>At 31 March</b>	-	157
	<hr/>	<hr/>

### 4. Disposal of fixed asset components

	<b>Other</b> <b>fixed</b> <b>assets</b> <b>£</b>	<b>Total</b> <b>2019</b> <b>£</b>	<b>Total</b> <b>2018</b> <b>£</b>
Disposal at cost	(13,631)	(13,631)	(13,226)
Depreciation on disposals	5,291	5,291	9,055
	<hr/>	<hr/>	<hr/>
Deficit on disposal	(8,340)	(8,340)	(4,171)
	<hr/>	<hr/>	<hr/>

### 5a. Key management personnel

As at 31 March 2019 none of the board members received emoluments in excess of £60,000 (2018: nil). The board members are considered to represent key management personnel.

### 5b. Employees

Average monthly number of employees expressed as full time equivalents:

	<b>2019</b> <b>Number</b>	<b>2018</b> <b>Number</b>
Administration	3	3
	<hr/>	<hr/>
	3	3
	<hr/>	<hr/>
<b>Employee costs:</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	82,283	81,903
Social security costs	7,760	7,723
Pension costs	6,683	6,638
	<hr/>	<hr/>
	96,726	96,264
	<hr/>	<hr/>

## Financial Statements for the year ended 31 March 2019

### 6. Pensions

All Lien Viet employees have joint contracts of employment with ISHA. All employees were members of the Social Housing Pension Scheme.

### 7a. Interest receivable and other income

	2019	2018
	£	£
Interest receivable and similar income	11,465	9,738
	<u>11,465</u>	<u>9,738</u>

### 7b. Interest and financing costs

	2019	2018
	£	£
Loans and bank overdrafts	29,901	32,596
	<u>29,901</u>	<u>32,596</u>

### 8. Operating surplus

The operating surplus is arrived after charging/(crediting):

	2019	2018
	£	£
Depreciation of housing properties	123,577	126,688
Depreciation of other tangible fixed assets	583	1,424
Surplus on sale of fixed assets	<u>(8,340)</u>	<u>(4,171)</u>
Auditors' remuneration (excluding VAT)		
– Audit of the financial statements of the Association	<u>6,352</u>	<u>5,445</u>

### 9. Donation

Following consultation with residents, the Association bequested the sum of £277,000 (2018: nil) as a legacy grant to The Geffrye Museum Trust, a company limited by guarantee registered in England, and a registered charity. The purpose of the legacy grant is to preserve the Lien Viet legacy and the heritage of the Vietnamese community by ensuring that their history is not forgotten and is accessible to the future generation.

## Financial Statements for the year ended 31 March 2019

### 10. Fixed assets – housing properties and other fixed assets

	Social housing properties held for letting £	Shared Ownership £	Subtotal housing properties £	Plant, vehicles and equipment £	Subtotal other fixed assets £	Total £
<b>Cost</b>						
At 1 April 2018	10,180,104	65,060	10,245,164	57,067	57,067	10,302,231
Additions	14,772	-	14,772	7,392	7,392	22,164
Disposals	(11,000)	-	(11,000)	(2,631)	(2,631)	(13,631)
Total	10,183,876	65,060	10,248,936	61,828	61,828	10,310,764
Transferred to ISHA	(10,183,876)	(65,060)	(10,248,936)	(61,828)	(61,828)	(10,310,764)
At 31 March 2019	-	-	-	-	-	-
<b>Depreciation</b>						
At 1 April 2018	2,024,233	8,147	2,032,380	53,955	53,955	2,086,335
Charge for year	122,673	905	123,578	583	583	124,161
Released on disposals	(5,027)	-	(5,027)	(264)	(264)	(5,291)
Total	2,141,879	9,052	2,150,931	54,274	54,274	2,205,205
Transferred to ISHA	(2,141,879)	(9,052)	(2,150,931)	(54,274)	(54,274)	(2,205,205)
At 31 March 2019	-	-	-	-	-	-
<b>Net book value</b>						
At 31 March 2019	-	-	-	-	-	-
At 31 March 2018	8,155,871	56,913	8,212,784	3,112	3,112	8,215,896

### Expenditure on works to existing properties

	2019 £	2018 £
Components Capitalised	14,771	23,754
Amount charged to income and expenditure	55,349	34,242
At 31 March	70,120	57,996

## Financial Statements for the year ended 31 March 2019

### 11. Trade and other debtors

	2019	2018
	£	£
<b>Due within one year</b>		
Rent and service charges receivable	64,263	66,465
Less: provision for bad and doubtful debts	<u>(31,971)</u>	<u>(22,677)</u>
	32,292	43,788
Amount due from parent company	1,058,237	1,030,893
Prepayments and accrued income	<u>4,943</u>	<u>16,422</u>
	1,095,472	1,091,103
Transferred to ISHA	<u>(1,095,472)</u>	<u>-</u>
At 31 March	<u><u>-</u></u>	<u><u>1,091,103</u></u>

The £1,000,000 intercompany loan was transferred to ISHA and is expected to be subsumed within the group at the transfer of engagement date, 31 March 2019.

### 12. Creditors: amounts falling due within one year

	2019	2018
	£	£
Loans repayable (note 15)	44,107	37,438
Trade creditors	18,754	26,271
Deferred grant income	52,371	52,371
Amounts owed to group undertaking	108,138	118,027
Accruals and deferred income	609,147	224,428
Rent and service charges received in advance	<u>33,578</u>	<u>26,022</u>
	866,095	484,557
Transferred to ISHA	<u>(866,095)</u>	<u>-</u>
At 31 March	<u><u>-</u></u>	<u><u>484,557</u></u>

### 13. Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Debt (note 15)	317,800	368,287
Deferred grant income	<u>6,565,084</u>	<u>6,617,454</u>
	6,882,884	6,985,741
Transferred to ISHA	<u>(6,882,884)</u>	<u>-</u>
At 31 March	<u><u>-</u></u>	<u><u>6,985,741</u></u>



## Financial Statements for the year ended 31 March 2019

### 14. Deferred grant income

	2019	2018
	£	£
At 1 April	6,669,828	6,722,199
Released to income in the year	<u>(52,371)</u>	<u>(52,371)</u>
	6,617,457	6,669,828
Transferred to ISHA	<u>(6,617,457)</u>	<u>-</u>
At 31 March	<u>-</u>	<u>6,669,828</u>
	2019	2018
	£	£
Amounts to be released within one year	52,371	52,371
Amounts to be released in more than one year	<u>6,565,086</u>	<u>6,617,457</u>
	6,617,457	6,669,828
Transferred to ISHA	<u>(6,617,457)</u>	<u>-</u>
At 31 March	<u>-</u>	<u>6,669,828</u>

### 15. Debt analysis

#### Borrowings

	2019	2018
	£	£
<b>Due within one year</b>		
Bank loans	44,107	37,438
<b>Due after more than one year</b>		
Bank loans	<u>317,800</u>	<u>368,287</u>
Total Loans	361,907	405,725
Transferred to ISHA	<u>(361,907)</u>	<u>-</u>
At 31 March	<u>-</u>	<u>405,725</u>

Housing Loans are from private lenders and in the main secured by specific charges on the Group's housing properties

Loan Portfolio	Interest Rate
Orchardbrook ex HC – Fixed 30 Yr	9.375%
Orchardbrook ex HC – Deferred 30 Yr	LIBOR + 1.5%

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	2019	2018
	£	£
Within one year or on demand	44,107	37,438
One year or more but less than two years	44,035	40,721
Two years or more but less than five years	144,927	145,775
Five years or more	<u>128,836</u>	<u>181,791</u>
	361,905	405,725
Transferred to ISHA	<u>(361,905)</u>	<u>-</u>
At 31 March	<u>-</u>	<u>405,725</u>

## Financial Statements for the year ended 31 March 2019

### 16. Cash flow from operating activities

	2019	2018
	£	£
(Deficit)/Surplus for the year	(166,489)	244,171
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	124,161	128,112
Amortisation of grant income	(52,371)	(52,371)
Decrease/(increase) in trade and other debtors	(4,369)	(185,491)
Increase/(decrease) in trade and other creditors	374,869	91,878
Net gain/loss on sale of fixed assets	8,340	4,171
Movement in value of investment property	-	(45,000)
Interest receivable	(11,465)	(9,738)
Interest payable	29,901	32,596
<b>Net cash generated from operating activities</b>	<u>302,577</u>	<u>208,328</u>

### 17. Investment properties: non-social housing properties held for letting

	2019
	£
At 1 April 2018	355,000
Increase in value	-
Total	<u>355,000</u>
Transferred to ISHA	<u>(355,000)</u>
At 31 March 2019	<u>-</u>

Investment properties were valued as at 31 March 2019 and there were no movements in fair value for the commercial property. The association's investment property has been valued by Resolution Property Surveyors, professional external valuers. The full valuation of the property was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors on the basis of fair value. The investment property is a commercial office and a rent capitalisation methodology was adopted coupled with an assessment of what an owner occupier might pay to arrive at the fair value, with reference to respective rental and capital value market data/sentiment.

### 18. Share Capital

The association is limited by guarantee and therefore has no share capital. Each member (see numbers below) agrees to contribute £1 in the event on the association winding up.

	2019	2018
	Number	Number
<b>Number of members</b>		
At 1 April	8	8
Joining during the year	-	-
Leaving during the year	8	-
At 31 March	<u>-</u>	<u>8</u>

## Financial Statements for the year ended 31 March 2019

### 19. Capital commitments

The association has no capital expenditure contracted (2018: nil).

### 20. Financial assets and liabilities

#### Categories of financial assets and financial liabilities

	2019	2018
	£	£
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Other debtors	95,472	91,103
Loan to ISHA	1,000,000	1,000,000
Total	1,095,472	1,091,103
Transferred to ISHA	(1,095,472)	-
Total at 31 March	-	1,091,103
<b>Financial liabilities measured amortised cost</b>		
Loans (Note 15)	361,906	405,725
Creditors	7,387,073	7,064,574
Total	7,748,979	7,470,299
Transferred to ISHA	(7,748,979)	-
Total at 31 March	-	7,470,299

All financial assets and financial liabilities were transferred to the parent company on 31 March 2019. The financial assets includes the intercompany loan of £1,000,000 (2018: £1,000,000) at a floating rate, attracting interest at rates that vary with the bank rates. The intercompany loan is expected to be subsumed within the group at the transfer of engagement date, 31 March 2019. Financial liabilities include all creditors and loan amounts payable.

### 21. Transfer of Engagement

The assets and liabilities including the trade of Lien Viet were transferred to the parent company, Islington & Shoreditch Housing Association (ISHA) following the transfer of engagement on 31 March 2019.

## **Financial Statements for the year ended 31 March 2019**

### **22. Related parties**

The Association took advantage of the exemption in FRS 102, section 33 concerning related party transactions by virtue of its status as a 100% owned subsidiary of a parent whose accounts are consolidated and made publicly available.

### **23. Parent undertaking**

The parent association is Islington & Shoreditch Housing Association, a Registered Provider of Social Housing incorporated in the United Kingdom as a Co-operative and Community Benefit Society and under the Housing and Regeneration Act 2008. Its accounts are available from 102 Blackstock Road, London, N4 2DR.

### **24. Post balance sheet event**

The transfer of engagements from Lien Viet to Islington & Shoreditch Housing Association was registered with the FCA on 31 May 2019.

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**Lien Viet Housing Association Limited**  
**Financial Statements**  
**Year Ended 31 March 2019**

Co-operative and Community Benefit Societies Act 2014 26206R  
Homes and Communities Agency registration number: LH 3867



INVESTOR IN PEOPLE

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Registered with the Financial Conduct Authority as a registered society under the Co-operative and Community Benefit Societies Act 2014 26206R  
Registered with the Homes and Communities Agency number LH3867

### BOARD MEMBERS

#### **Board members**

Chair Merlene Emerson CBE resigned 26 March 2019

Other members Suzanah Kwok – resigned 26 March 2019  
Kim Nguyen - resigned 21 August 2018  
Hong Khaou – resigned 26 March 2019  
Roz Spencer – resigned 26 March 2019  
Stephen Stringer – resigned 26 March 2019  
Megan Worthing-Davies – resigned 26 March 2019  
Clare Thomson (Secretary) - retired 14 December 2018  
Ruth Davison (Secretary) - appointed 7 January 2019

Registered Office 102 Blackstock Road  
London  
N4 2DR

Auditors Grant Thornton UK LLP  
Victoria House  
199 Avebury Boulevard  
Milton Keynes  
MK9 1AU



## Report of the Board of Management of Lien Viet Housing Association Limited

The Board presents its report and the audited financial statements for the year ended 31 March 2019.

### Principal Activities

The Board of Lien Viet Housing Association Limited ('Lien Viet') took the decision during 2018/19 to merge its stock into their parent company Islington & Shoreditch Housing Association Limited ("ISHA"). This was completed under a Transfer of Engagement and was executed in March 2019. Lien Viet was a community based housing association which owned 122 units (2018: 122 units) including 1 shared ownership unit (2018: 1 units) and 19 hostel rooms (2018: 19). 35 units (2018: 35) are managed on behalf of Islington & Shoreditch Housing Association ("ISHA") and London and Quadrant.

In 2013, it was agreed that ISHA would provide the landlord services for Lien Viet, and that Lien Viet would concentrate on its wider community ambitions. The strategic objectives set for Lien Viet were:

- Provide excellent services to our residents
- Vietnamese and Chinese speakers to support LV and ISHA residents
- Good name and strong links within Community and partner agencies
- Ability to sell services to other Housing Associations
- Provide good governance
- Maximise opportunities for growth and development (new objective)

Subsequently, the Lien Viet Board worked on its brand and the best structure to deliver its aims for the future. Running the housing association activities is time consuming, expensive and detracts from the unique selling point of Lien Viet; its charitable purpose of supporting the Vietnamese and South East Asian community.

ISHA's Board committed to continuing to deliver culturally sensitive services for our customers and communities and to maintaining the branding of Lien Viet. It was established by communities from Vietnam who had faced war and then faced discrimination in terms of access to homes. We celebrated this achievement with a bequest to the Geffrye Museum, the museum of the home and will continue to honour its founding principles and values.

Following the completion of the Transfer of Engagement, Lien Viet ceased to be an independent housing association, and therefore its Board also ceased to exist. These accounts are presented by the ISHA Board.

### Employees

Lien Viet Housing Association Limited does not directly employ any staff, and all functions that support Lien Viet's activities are carried out by staff employed by the parent company, ISHA. The services provided by the parent company to Lien Viet are set out through a service level agreement, and ISHA staff support is included in that agreement. There are three Lien Viet staff members who were employed in roles that predominantly support the operations of Lien Viet Housing Association Limited. Two in Outreach and Support and one in the Finance function.

### Statement of the Board's responsibilities

The Board is responsible for preparing the report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society legislation requires the Board to prepare financial statements for each financial year. Under that law the board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under the Co-operative and Community Benefit Society legislation the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the association and group for that period. In preparing these financial statements, the Board are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers Update 2014, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing (April 2015). It is also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board are responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Value for Money

The Board concentrates on the value-added objectives of representing the housing need issues for its customers and provide support and advice to its wider constituent communities within London.

Lien Viet's landlord services are included within ISHA's benchmarking and service improvement plans. These are published in the Group accounts, and a more detailed value for money report is provided in ISHA Group's Annual report to customers.

### Board disclosure to auditors

The financial statements were approved by the Board of the parent company. The Board members of the parent company who held office at the date of approval of this Board report confirm that, so far as they are each aware, there is no relevant audit information of which the auditors are unaware; and each board member has taken all the steps that he/ she ought to have taken as a board member to make himself/ herself aware of any

relevant audit information and to establish that the company's auditors are aware of that information.

### **Corporate governance and internal control**

The Board has adopted the NHF 2015 Code of Governance and is compliant with that code.

The Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Association's assets and interests.

The process adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

- *Monitoring and corrective action*

Regular management reporting on control issues provides assurance to management and to the Board. This includes a procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those with a material impact on the financial statements.

- *Control environment and control procedures*

The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury strategy and new investment projects. The Board disseminates its requirements to all employees through the Association's policies with regard to the quality, integrity and ethics of its employees. It is supported by clear and comprehensive financial standing orders, describing responsibilities, levels of authority and segregation of duties.

- *Regulatory Code*

The Board has responsibility for ensuring that the Association complied with its obligations under the regulatory code.

- *Information and financial reporting systems*

Financial reporting procedures include annual budgets, reviewed every three months, and a long term business plan which is reviewed and updated annually. These are reviewed and approved by the Board. The Board also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

The internal control framework was reviewed by internal auditors and approved by the Board. As part of the service level agreement with ISHA a regular review of internal controls is performed.

The Board confirms there is an ongoing process for identifying, evaluating and managing significant risks faced by the Association.

- *Fraud*

Policy and procedures on the identification and reporting of fraud are in place. As part of our fraud procedures we have a clear whistleblowing policy. Regular consideration of the main risks facing the association and the internal audit ensures system weaknesses are addressed.

### **Going Concern**

The Association ceased to exist as an independent housing association and its assets and liabilities, including its trade, were transferred to its parent company, Islington and Shoreditch Housing Association Limited, as at 31 March 2019. Therefore, Lien Viet will no longer be an operating entity. As such, these financial statements have been prepared on a cessation basis.

On behalf of the Board  
Ruth Davison  
Secretary  
25 July 2019

## Independent auditor's report to the members of Lien Viet Housing Association Limited

### Opinion

We have audited the financial statements of Lien Viet Housing Association Limited (the 'company') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter – basis of preparation of the financial statements

We draw your attention to Note 2 to the financial statements, which describes the basis of preparation of the financial statements. As described in that note, Lien Viet Housing Association Limited will cease to trade during 2019/20 and the company has adopted the break-up basis in preparing the financial statements. Our opinion is not modified in this respect of this matter.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

## Independent auditor's report to the members of Lien Viet Housing Association Limited

with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the directors has been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the directors.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the report of the directors and from the requirement to prepare a strategic report.

### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on pages 3 to 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Independent auditor's report to the members of Lien Viet Housing Association Limited

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Fiona Baldwin  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Milton Keynes  
Date:

Statement of Comprehensive Income as at 31 March

		2019 £	2018 £
	<b>Notes</b>		
Turnover	3a	1,172,889	1,172,439
Operating expenditure	3a	<u>(1,035,602)</u>	<u>(946,239)</u>
<b>Operating surplus</b>	3a	137,287	226,200
Lien Viet Legacy Grant	9	(277,000)	-
Loss on disposal of fixed assets	4	(8,340)	(4,171)
Movement in fair value of Investment Properties	16	-	45,000
Interest receivable	7a)	11,465	9,738
Interest and financing costs	7b)	<u>(29,901)</u>	<u>(32,596)</u>
		(166,489)	244,171
Deficit transferred to parent company	21	<u>166,489</u>	-
<b>Surplus and total comprehensive income for the financial year</b>		<u>-</u>	<u>244,171</u>

The Association's results relate wholly to discontinued activities which transferred to Islington and Shoreditch Housing Association on 31 March 2019.

The accompanying notes on pages 14 to 27 form part of these financial statements.

The financial statements were approved by the Islington & Shoreditch Housing Association Board of Management at its meeting on 25 July 2019 and were signed on its behalf by:

Stephen Stringer                      ISHA Chair

Ruth Davison                          Secretary

Roz Spencer                            Board Member



**Statement of Changes in Reserves**

	<b>Income and Expenditure Reserves £</b>	<b>Total £</b>
<b>Balance as at 1 April 2017</b>	2,611,689	2,611,689
Total comprehensive income for the year	244,171	244,171
<b>Balance as at 31 March 2018</b>	2,855,860	2,855,860
Total comprehensive deficit for the year	(166,489)	(166,489)
Transferred to ISHA	(2,689,371)	(2,689,371)
<b>Balance as at 31 March 2019</b>	<u>-</u>	<u>-</u>

The Association's results relate wholly to discontinued activities which transferred to Islington and Shoreditch Housing Association on 31 March 2019.

The accompanying notes on pages 14 to 27 form part of these financial statements.

Statement of Financial Position as at 31 March

FIXED ASSETS	Note	2019 £	2018 £
<b>Fixed Assets</b>			
Tangible Fixed Assets	10	-	8,212,784
Investment Properties	17	-	355,000
		-	8,567,784
Other fixed assets	10	-	3,112
		-	8,570,896
<b>Current assets</b>			
Trade and other debtors	11	-	1,091,103
Cash and cash equivalents		-	664,159
		-	1,755,262
<b>Creditors: amounts falling due within one year</b>	12	-	(484,557)
<b>Net current assets</b>		-	1,270,705
<b>Total assets less current liabilities</b>		-	9,841,601
<b>Creditors: amounts falling due after more than one year</b>	13	-	(6,985,741)
<b>Total net assets</b>		-	<b>2,855,860</b>
<b>Reserves</b>			
Income and expenditure reserves		-	2,855,860
<b>Total reserves</b>		-	<b>2,855,860</b>

The accompanying notes on pages 14 to 27 form part of these financial statements.

The financial statements were approved by the Islington & Shoreditch Housing Association Board of Management at its meeting on 25 July 2019 and were signed on its behalf by:

Stephen Stringer                      ISHA Chair

Ruth Davison                              Secretary

Roz Spencer                                Board Member

Statement of Cash Flows

	Notes	2019 £	2018 £
<b>Net cash generated from operating activities</b>	16	302,577	208,328
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets	10	(22,164)	(27,239)
Proceeds from sale of tangible fixed assets		-	-
Interest received	7a	11,465	9,738
		291,878	190,827
<b>Cash flow from financing activities</b>			
Interest paid	7b	(29,901)	(32,596)
Repayment of borrowings		(43,817)	(40,464)
		218,160	117,767
<b>Cash and cash equivalent at 1 April 2018</b>		664,159	546,392
		882,319	664,159
<b>Cash and cash equivalent at 31 March 2019</b>			
<b>Transferred to ISHA</b>		(882,319)	-
		-	664,159
		-	664,159

The accompanying notes on pages 14 to 27 form part of these financial statements.

## Notes to the financial statements

### 1. Legal Status

The Association was incorporated with limited liability as a charitable Housing Association under the Co-operative and Community Benefit Societies Act 2014 and was a registered provider of social housing.

On 6 March 2019, the Board of the Association passed a special resolution to transfer the stock, property, assets and liabilities and all the engagements of the Association to Islington & Shoreditch Housing Association. The resolution was finally confirmed on 26 March 2019. The application for deregistration with the Financial Conduct Authority (FCA) is in progress.

### 2. Accounting policies

#### Basis of accounting

The financial statements of the Association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015.

The financial statements are presented in Sterling (£) which is also the functional currency.

#### Basis of preparation of the financial statements

The Association ceased to exist as an independent housing association and its assets and liabilities, including its trade, were transferred to its parent company, Islington and Shoreditch Housing Association Limited, as at 31 March 2019. Therefore, Lien Viet will no longer be an operating entity and has prepared its financial statements on a cessation basis.

#### Significant judgements and estimations

Preparations of the financial statements require management to make significant judgements and estimates. Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts where required or appropriate and other relevant factors. The items in the financial statements where these judgements have been made include:

#### Impairment

Annually housing properties are assessed for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a scheme is currently deemed not to be providing service potential to the association, its recoverable amount is its fair value less costs to sell.

#### Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment

## **Financial Statements for the year ended 31 March 2019**

and changes to decent homes standards which may require more frequent replacement of key components. Accumulated depreciation at 31 March 2019 was £Nil, shown in note 10.

### **Turnover**

Turnover comprises rental and service charge income receivable in the year, income from shared ownership first tranche sales and other services included at the invoiced value excluding VAT where recoverable of services supplied in the year and revenue grants receivable in the year.

Rental income is recognised from the point where properties under developments reach practical completion or otherwise become available for letting net of voids. Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale. Revenue grants are recognised when the conditions for receipt of the agreed grant funding have been met. Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities.

### **Interest payable**

Interest payable is charged to income and expenditure for the year.

### **Financial instruments**

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model.

Basic financial instruments are recognised at amortised historical cost.

### **Housing properties**

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally available for rent and are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

### **Investment properties**

Investment properties consist of commercial properties and other properties not held for the social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end, with changes in fair value recognised in income and expenditure.

### **Government grants**

Government grants include grants receivable from the Homes and Communities Agency (the HCA), local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

## Financial Statements for the year ended 31 March 2019

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received.

Government grants received for housing properties are subordinated to the repayment of loans by agreement with the HCA. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in income and expenditure.

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to income and expenditure. Upon disposal of the associated property, the group is required to recycle these proceeds and recognise them as a liability.

### Depreciation of housing properties

The association separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight line basis, over its estimated useful economic life.

The association depreciates the major components of its housing properties at the following annual rates:

Component	Useful economic life (years)
Pitched roofs	60
Flat roofs	60
External doors	30
Windows	30
Electrical installation	25
General heating (excluding boilers)	25
Boilers	15
Lifts	25
Kitchens	15
Bathrooms	20
Residual structure (Building)	150

## Financial Statements for the year ended 31 March 2019

### Depreciation of other tangible fixed assets

Other fixed assets are included at cost to the Group less depreciation, which is provided on a straight-line basis over the periods shown below:

Office furniture, equipment and motor vehicles	4 years
Scheme equipment	10-15 years
Freehold office	50 years

Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal process and the carrying amount of the assets and are recognised as part of the surplus/deficit for the year.

### Taxation

The Association was an exempt Charity and its activities in the year did not give rise to a tax liability.

### Pensions

Retirement benefits to employees are provided by a defined contribution scheme. Contributions are charged to the income & expenditure account in the period to which they are incurred.

### Donation

Granting legacy funds are not part of the association's normal course of activities and is therefore not included within operating surplus. Further details are available in note 9.

## Financial Statements for the year ended 31 March 2019

### 3a. Particulars of turnover, cost of sales, operating expenditure and operating surplus

	2019		
	Turnover	Operating Expenditure	Operating Surplus
	£	£	£
<b>Letting activities</b>			
Social housing (Note 3b)	1,146,475	(1,019,804)	126,671
Shared ownership	6,371	(2,551)	3,820
<b>Total</b>	<b>1,152,846</b>	<b>(1,022,355)</b>	<b>130,491</b>
<b>Other social housing activities</b>			
Charges for support services	-	(1,031)	(1,031)
Management services	-	(12,216)	(12,216)
<b>Total</b>	<b>-</b>	<b>(13,247)</b>	<b>(13,247)</b>
<b>Activities other than Social Housing</b>			
Commercial properties	20,043	-	20,043
<b>Total</b>	<b>1,172,889</b>	<b>(1,035,602)</b>	<b>137,287</b>

	2018		
	Turnover	Operating Expenditure	Operating Surplus
	£	£	£
<b>Letting activities</b>			
Social housing (Note 3b)	1,146,257	(938,593)	207,664
Shared ownership	6,091	(2,193)	3,898
<b>Total</b>	<b>1,152,348</b>	<b>(940,786)</b>	<b>211,562</b>
<b>Other social housing activities</b>			
Charges for support services	-	(1,606)	(1,606)
Management services	-	(3,847)	(3,847)
<b>Total</b>	<b>-</b>	<b>(5,453)</b>	<b>(5,453)</b>
<b>Activities other than Social Housing</b>			
Commercial properties	20,091	-	20,091
<b>Total</b>	<b>1,172,439</b>	<b>(946,239)</b>	<b>226,200</b>



## Financial Statements for the year ended 31 March 2019

### 3b. Particulars of turnover and operating expenditure from Social Housing Lettings

	General Needs Housing	Supported Housing	Shared Ownership	Total 2019	Total 2018
	£	£	£	£	£
<b>Income</b>					
Rent receivable net of identifiable service charge	849,003	78,602	4,724	932,329	944,975
Service charges income	122,541	43,959	1,646	168,146	155,002
Amortised government grant	52,371	-	-	52,371	52,371
<b>Turnover from Social Housing Lettings</b>	<b>1,023,915</b>	<b>122,561</b>	<b>6,370</b>	<b>1,152,846</b>	<b>1,152,348</b>
<b>Operating expenditure</b>					
Management	480,476	48,729	-	529,205	537,615
Service charge costs	103,573	50,363	1,646	155,582	123,354
Routine maintenance	127,201	24,887	-	152,088	110,281
Planned maintenance	59,219	2,684	-	61,903	42,848
Bad debts	-	-	-	-	-
Depreciation of housing properties	114,446	8,226	905	123,577	126,688
<b>Operating expenditure on Social Housing Lettings</b>	<b>884,915</b>	<b>134,889</b>	<b>2,551</b>	<b>1,022,355</b>	<b>940,786</b>
<b>Operating surplus/(deficit) on Social Housing Lettings</b>	<b>139,000</b>	<b>(12,328)</b>	<b>3,819</b>	<b>130,491</b>	<b>211,562</b>
<b>Void losses</b>	<b>628</b>	<b>373</b>	<b>-</b>	<b>1,001</b>	<b>2,557</b>

## Financial Statements for the year ended 31 March 2019

### 3c. Accommodation in management

At the end of the year accommodation in management for each class of accommodation was as follows:

	<b>2019</b> <b>No. of</b> <b>properties</b>	<b>2018</b> <b>No. of</b> <b>properties</b>
<b>Social Housing</b>		
General needs social rent	102	102
Supported housing	19	19
Shared Ownership	1	1
	<hr/>	<hr/>
<b>Total owned</b>	122	122
Accommodation managed for others	35	35
	<hr/>	<hr/>
<b>Total owned and managed</b>	157	157
<b>Transferred to ISHA</b>	(157)	-
	<hr/>	<hr/>
<b>At 31 March</b>	-	157
	<hr/>	<hr/>

### 4. Disposal of fixed asset components

	<b>Other</b> <b>fixed</b> <b>assets</b> <b>£</b>	<b>Total</b> <b>2019</b> <b>£</b>	<b>Total</b> <b>2018</b> <b>£</b>
Disposal at cost	(13,631)	(13,631)	(13,226)
Depreciation on disposals	5,291	5,291	9,055
	<hr/>	<hr/>	<hr/>
Deficit on disposal	(8,340)	(8,340)	(4,171)
	<hr/>	<hr/>	<hr/>

### 5a. Key management personnel

As at 31 March 2019 none of the board members received emoluments in excess of £60,000 (2018: nil). The board members are considered to represent key management personnel.

### 5b. Employees

Average monthly number of employees expressed as full time equivalents:

	<b>2019</b> <b>Number</b>	<b>2018</b> <b>Number</b>
Administration	3	3
	<hr/>	<hr/>
	3	3
	<hr/>	<hr/>
<b>Employee costs:</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	82,283	81,903
Social security costs	7,760	7,723
Pension costs	6,683	6,638
	<hr/>	<hr/>
	96,726	96,264
	<hr/>	<hr/>

## Financial Statements for the year ended 31 March 2019

### 6. Pensions

All Lien Viet employees have joint contracts of employment with ISHA. All employees were members of the Social Housing Pension Scheme.

### 7a. Interest receivable and other income

	2019	2018
	£	£
Interest receivable and similar income	11,465	9,738
	<u>11,465</u>	<u>9,738</u>

### 7b. Interest and financing costs

	2019	2018
	£	£
Loans and bank overdrafts	29,901	32,596
	<u>29,901</u>	<u>32,596</u>

### 8. Operating surplus

The operating surplus is arrived after charging/(crediting):

	2019	2018
	£	£
Depreciation of housing properties	123,577	126,688
Depreciation of other tangible fixed assets	583	1,424
Surplus on sale of fixed assets	<u>(8,340)</u>	<u>(4,171)</u>
Auditors' remuneration (excluding VAT)		
– Audit of the financial statements of the Association	<u>6,352</u>	<u>5,445</u>

### 9. Donation

Following consultation with residents, the Association bequested the sum of £277,000 (2018: nil) as a legacy grant to The Geffrye Museum Trust, a company limited by guarantee registered in England, and a registered charity. The purpose of the legacy grant is to preserve the Lien Viet legacy and the heritage of the Vietnamese community by ensuring that their history is not forgotten and is accessible to the future generation.

## Financial Statements for the year ended 31 March 2019

### 10. Fixed assets – housing properties and other fixed assets

	Social housing properties held for letting £	Shared Ownership £	Subtotal housing properties £	Plant, vehicles and equipment £	Subtotal other fixed assets £	Total £
<b>Cost</b>						
At 1 April 2018	10,180,104	65,060	10,245,164	57,067	57,067	10,302,231
Additions	14,772	-	14,772	7,392	7,392	22,164
Disposals	(11,000)	-	(11,000)	(2,631)	(2,631)	(13,631)
Total	10,183,876	65,060	10,248,936	61,828	61,828	10,310,764
Transferred to ISHA	(10,183,876)	(65,060)	(10,248,936)	(61,828)	(61,828)	(10,310,764)
At 31 March 2019	-	-	-	-	-	-
<b>Depreciation</b>						
At 1 April 2018	2,024,233	8,147	2,032,380	53,955	53,955	2,086,335
Charge for year	122,673	905	123,578	583	583	124,161
Released on disposals	(5,027)	-	(5,027)	(264)	(264)	(5,291)
Total	2,141,879	9,052	2,150,931	54,274	54,274	2,205,205
Transferred to ISHA	(2,141,879)	(9,052)	(2,150,931)	(54,274)	(54,274)	(2,205,205)
At 31 March 2019	-	-	-	-	-	-
<b>Net book value</b>						
At 31 March 2019	-	-	-	-	-	-
At 31 March 2018	8,155,871	56,913	8,212,784	3,112	3,112	8,215,896

### Expenditure on works to existing properties

	2019 £	2018 £
Components Capitalised	14,771	23,754
Amount charged to income and expenditure	55,349	34,242
At 31 March	70,120	57,996

## Financial Statements for the year ended 31 March 2019

### 11. Trade and other debtors

	2019	2018
	£	£
<b>Due within one year</b>		
Rent and service charges receivable	64,263	66,465
Less: provision for bad and doubtful debts	<u>(31,971)</u>	<u>(22,677)</u>
	32,292	43,788
Amount due from parent company	1,058,237	1,030,893
Prepayments and accrued income	<u>4,943</u>	<u>16,422</u>
	1,095,472	1,091,103
Transferred to ISHA	<u>(1,095,472)</u>	<u>-</u>
At 31 March	<u><u>-</u></u>	<u><u>1,091,103</u></u>

The £1,000,000 intercompany loan was transferred to ISHA and is expected to be subsumed within the group at the transfer of engagement date, 31 March 2019.

### 12. Creditors: amounts falling due within one year

	2019	2018
	£	£
Loans repayable (note 15)	44,107	37,438
Trade creditors	18,754	26,271
Deferred grant income	52,371	52,371
Amounts owed to group undertaking	108,138	118,027
Accruals and deferred income	609,147	224,428
Rent and service charges received in advance	<u>33,578</u>	<u>26,022</u>
	866,095	484,557
Transferred to ISHA	<u>(866,095)</u>	<u>-</u>
At 31 March	<u><u>-</u></u>	<u><u>484,557</u></u>

### 13. Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Debt (note 15)	317,800	368,287
Deferred grant income	<u>6,565,084</u>	<u>6,617,454</u>
	6,882,884	6,985,741
Transferred to ISHA	<u>(6,882,884)</u>	<u>-</u>
At 31 March	<u><u>-</u></u>	<u><u>6,985,741</u></u>

## Financial Statements for the year ended 31 March 2019

### 14. Deferred grant income

	2019	2018
	£	£
At 1 April	6,669,828	6,722,199
Released to income in the year	<u>(52,371)</u>	<u>(52,371)</u>
	6,617,457	6,669,828
Transferred to ISHA	<u>(6,617,457)</u>	<u>-</u>
At 31 March	<u>-</u>	<u>6,669,828</u>
	2019	2018
	£	£
Amounts to be released within one year	52,371	52,371
Amounts to be released in more than one year	<u>6,565,086</u>	<u>6,617,457</u>
	6,617,457	6,669,828
Transferred to ISHA	<u>(6,617,457)</u>	<u>-</u>
At 31 March	<u>-</u>	<u>6,669,828</u>

### 15. Debt analysis

#### Borrowings

	2019	2018
	£	£
<b>Due within one year</b>		
Bank loans	44,107	37,438
<b>Due after more than one year</b>		
Bank loans	<u>317,800</u>	<u>368,287</u>
Total Loans	361,907	405,725
Transferred to ISHA	<u>(361,907)</u>	<u>-</u>
At 31 March	<u>-</u>	<u>405,725</u>

Housing Loans are from private lenders and in the main secured by specific charges on the Group's housing properties

Loan Portfolio	Interest Rate
Orchardbrook ex HC – Fixed 30 Yr	9.375%
Orchardbrook ex HC – Deferred 30 Yr	LIBOR + 1.5%

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	2019	2018
	£	£
Within one year or on demand	44,107	37,438
One year or more but less than two years	44,035	40,721
Two years or more but less than five years	144,927	145,775
Five years or more	<u>128,836</u>	<u>181,791</u>
	361,905	405,725
Transferred to ISHA	<u>(361,905)</u>	<u>-</u>
At 31 March	<u>-</u>	<u>405,725</u>

## Financial Statements for the year ended 31 March 2019

### 16. Cash flow from operating activities

	2019	2018
	£	£
(Deficit)/Surplus for the year	(166,489)	244,171
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	124,161	128,112
Amortisation of grant income	(52,371)	(52,371)
Decrease/(increase) in trade and other debtors	(4,369)	(185,491)
Increase/(decrease) in trade and other creditors	374,869	91,878
Net gain/loss on sale of fixed assets	8,340	4,171
Movement in value of investment property	-	(45,000)
Interest receivable	(11,465)	(9,738)
Interest payable	29,901	32,596
<b>Net cash generated from operating activities</b>	<u>302,577</u>	<u>208,328</u>

### 17. Investment properties: non-social housing properties held for letting

	2019
	£
At 1 April 2018	355,000
Increase in value	-
Total	<u>355,000</u>
Transferred to ISHA	<u>(355,000)</u>
At 31 March 2019	<u>-</u>

Investment properties were valued as at 31 March 2019 and there were no movements in fair value for the commercial property. The association's investment property has been valued by Resolution Property Surveyors, professional external valuers. The full valuation of the property was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors on the basis of fair value. The investment property is a commercial office and a rent capitalisation methodology was adopted coupled with an assessment of what an owner occupier might pay to arrive at the fair value, with reference to respective rental and capital value market data/sentiment.

### 18. Share Capital

The association is limited by guarantee and therefore has no share capital. Each member (see numbers below) agrees to contribute £1 in the event on the association winding up.

	2019	2018
	Number	Number
<b>Number of members</b>		
At 1 April	8	8
Joining during the year	-	-
Leaving during the year	8	-
At 31 March	<u>-</u>	<u>8</u>

## Financial Statements for the year ended 31 March 2019

### 19. Capital commitments

The association has no capital expenditure contracted (2018: nil).

### 20. Financial assets and liabilities

#### Categories of financial assets and financial liabilities

	2019	2018
	£	£
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Other debtors	95,472	91,103
Loan to ISHA	1,000,000	1,000,000
Total	1,095,472	1,091,103
Transferred to ISHA	(1,095,472)	-
Total at 31 March	-	1,091,103
<b>Financial liabilities measured amortised cost</b>		
Loans (Note 15)	361,906	405,725
Creditors	7,387,073	7,064,574
Total	7,748,979	7,470,299
Transferred to ISHA	(7,748,979)	-
Total at 31 March	-	7,470,299

All financial assets and financial liabilities were transferred to the parent company on 31 March 2019. The financial assets includes the intercompany loan of £1,000,000 (2018: £1,000,000) at a floating rate, attracting interest at rates that vary with the bank rates. The intercompany loan is expected to be subsumed within the group at the transfer of engagement date, 31 March 2019. Financial liabilities include all creditors and loan amounts payable.

### 21. Transfer of Engagement

The assets and liabilities including the trade of Lien Viet were transferred to the parent company, Islington & Shoreditch Housing Association (ISHA) following the transfer of engagement on 31 March 2019.



**22. Related parties**

The Association took advantage of the exemption in FRS 102, section 33 concerning related party transactions by virtue of its status as a 100% owned subsidiary of a parent whose accounts are consolidated and made publicly available.

**23. Parent undertaking**

The parent association is Islington & Shoreditch Housing Association, a Registered Provider of Social Housing incorporated in the United Kingdom as a Co-operative and Community Benefit Society and under the Housing and Regeneration Act 2008. Its accounts are available from 102 Blackstock Road, London, N4 2DR.

**24. Post balance sheet event**

The transfer of engagements from Lien Viet to Islington & Shoreditch Housing Association was registered with the FCA on 31 May 2019.